

## Message Text

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10

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-14 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

SAL-01 PA-03 PRS-01 USIA-12 L-03 H-02 AF-10 ARA-11

EA-11 NEA-10 RSR-01 /198 W  
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R 301740 Z MAR 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 7080

INFO USMISSION EC BRUSSELS

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UNCLAS BRUSSELS 1776

E. O. 11652 N/A

TAGS: EFIN, BE

SUBJECT: BELGIAN COMMENT ON COMMITTEE OF TWENTY MEETING

1. SUMMARY: BRUSSELS PRESS FOR MARCH 29 CARRIED TWO INTERVIEW ARTICLES ON RESULTS OF RECENT C-20 MEETING. LE SOIR QUOTED BELGIAN MINFIANCE DE CLERCQ TO THE EFFECT THAT US HAD ALSO ACCEPTED PRINCIPLE OF STABLE PARITIES AS ULTIMATE GOAL, THAT AGREEMENT REACHED TO REDUCE IMPORTANCE OF GOLD AND THAT NEW SYSTEM SHOULD BE BASED INCREASINGLY ON SDR'S. IN LONG TWO PAGE INTERVIEW WITH NATIONAL BANK GOVERNOR VANDEPUTTE, LA LIBRE BELGIQUE QUOTED HIM INTERALIA AS SAYING THAT HE DID NOT BELIEVE THAT SDR'S SHOULD BE LINKED AUTOMATICALLY WITH AID TO DEVELOPMENT WORLD. END SUMMARY.

2. IN INTERVIEW PUBLISHED IN LE SOIR FOR MARCH 29 FINANCE MINISTER DE CLERCQ WAS ASKED WHETHER CONCEPT OF STABLE BUT ADJUSTABLE PARITIES WAS APPLICABLE TO BOTH SIDES OF ATLANTIC. DE CLERCQ REPLIED IN AFFIRMATIVE STATING THAT EUROPEAN COMMUNITY ABSOLUTELY REQUIRED THAT THE " REFORMED SYSTEM ASSURE A RETURN TO STABLE BUT ADJUSTABLE PARITIES WITHIN WELL DEFINED

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CIRCUMSTANCES, ACCORDING TO OBJECTIVE INDICATORS". HE ADDED THAT C-20 HAD ACCEPTED PRESENT FLOATING SITUATION AS TEMPORARY EXPEDIENT " USEFUL IN A PARTICULAR CASE" BUT THAT IT WAS TO CONSTITUTE AN EXCEPTION. HE CONCLUDED HIS STATEMENT SAYING THAT " THE USA HAD IN EVERY RESPECT ASSOCIATED ITSELF WITH THE FINAL COMMUNIQUE WHICH WAS PUBLISHED".

3. DE CLERCQ ALSO IS REPORTED AS SAYING THAT US MADE NO SPECIFIC PROPOSALS ASIDE FROM ONE REGARDING ADJUSTMENT PROCEDURES MADE PRIOR TO MEETING, THAT COMMERCIAL POLICY WAS NOT RAISED AT THE C-20 MEETING, WHICH HAD " RECOGNIZED THAT THE ROLE OF GOLD AS NUMERAIRE IN THE RENOVATED MONETARY SYSTEM MUST DIMINISH IN FAVOR OF SDR' S. THE ROLE OF CURRENCIES AS RESERVES MUST ALSO BE REDUCED". RESPONDING TO A QUESTION ON THE FUTURE ROLE OF A EUROPEAN CURRENCY, DE CLERCQ SAID IT " WILL BE USED FOR INTRA-COMMUNITY ECHANGES. WE DO NOT WISH IT MADE A RESERVE CURRENCY".

4. LIBRE BELGIQUE INTERVIEW, ALSO PUBLISHED MARCH 29, WITH NATIONAL BANK GOVERNOR VANDEPUTTE COMMENTED FAVORABLY ON BRETTON WOODS SYSTEM AND REFERRED TO CONSTRUCTIVE ROLE PLAYED HTEREIN BY US. VANDEPUTTE THOUGHT MAJOR CONCERN IN PRESENT POST BRETTON WOODS PERIOD IS " GROWTH OF MONETARY AND ECONOMIC NATIONALISM. THERE IS ALREADY IN THE US A POSSIBILITY OF NEW CUSTOM BARRIERS. CONGRESS IS GOING TO VOTE A LAW GIVING THE PRESIDENT POWER TO IMPOSE SURCHARGES, THAT IS TAXES, ON THE ENTRY OF MERCHANDISE". POINTING OUT THAT THIS POWER WOULD BE SELECTIVE HE WARNS THAT IT COULD INITIATE AN ECONOMIC WAR. REPLYING TO QUESTION CONCERNING LARGE AMOUNTS OF DOLLARS HELD IN BELGIUM, VANDEPUTTE SAID " THERE IS ONLY ONE THING TO DO, PLACE THEM IN THE USA".

5. ASKED ABOUT LDC ROLE IN REFORM OF INTERNATIONAL MONETARY SYSTEM, HE SAID " PRIMARILY THERE IS THE QUESTION OF THE LINK BETWEEN THE NEW INTERNATIONAL SYSTEM AND THE ADVANTAGES THESE COUNTRIES WISH TO OBTAIN FROM IT. THEY WISH, IN EFFECT, TO RECEIVE A PORTION... OF THE NEW ABSTRACT MONEY TO BE CREATED. SOME POLITICAL LEADERS HAVE TAKEN THIS POSITION. THERE IS ANOTHER THESIS WHICH DISTINGUISHES BETWEEN THE REFORM OF THE MONETARY SYSTEM AND ASSISTANCE TO THESE COUNTRIES". VANDEPUTTE WENT ON TO EMPHASIZE THE TECHNICAL AND INNOVATIVE NATURE OF THE NEW SDR SYSTEM AND TO SUGGEST THAT ITS IMPLEMENTATION WILL BE SUFFICIENTLY DIFFICULT WITHOUT COMPLICATING IT WITH THE PROBLEM OF ECONOMIC ASSISTANCE. HE CONCLUDED BY UNCLASSIFIED

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SAYING " I HAVE THE IMPRESSION THAT THE LINK THESIS WILL

GRADUALLY DISAPPEAR FROM INTERNATIONAL DISCUSSIONS".  
BOOCHEVER

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